

## INTRODUCTION AND SCOPE

In January of 1998 the automated red light enforcement program, operating in conjunction with Maryland state law, was instituted in Howard County to reduce injuries and deaths as a result of traffic collisions and, shortly thereafter, the process of issuing civil citations for red light running began. This program is funded with citation revenues which are \$75 per occurrence. As of February 2000, 93.7% of the citations issued in 1998 and 92% of the citations issued in 1999 have been paid. These percentages will increase as violators try to renew their vehicle registration and find they cannot until the fine has been paid. The Automated Enforcement Division (AED) within the Administration Command of the Police Department was created in Fiscal Year 1999 to manage this program and currently has a total of five employees with an additional four employees being requested in the FY 2001 budget. Expenditures for FY 2000 were budgeted at \$1,837,920 and revenues were budgeted at \$2,846,000. FY 2000 revenues received thru February are \$1,545,263. The services of two independent contractors were obtained to install and maintain the cameras and to assist with the issuance and further processing of the citations. This fine for red light running is similar to a parking ticket and does not result in points being assessed or insurance rates being raised. There are currently 25 camera locations throughout the County with 20 active cameras at any given time. The citation goes to the registered owner or lessee (six months or more) of the vehicle and this is not necessarily the violator. Approximately one-half of all violations captured on film are issued a citation which must be mailed no later than two weeks after the alleged violation. The violator then has 40 days from the date of the incident to request a court date or 45 days to pay the fine. After 40 days, they cannot go to court. If it is not paid, a second notice is sent after the 45 days and a final notice is sent 30 days after that which gives the violator another 30 days to pay or a total of 105 days from the date of incident to pay the fine or the vehicle will be flagged by the Department of Motor Vehicles (\$20 charge) and cannot be registered at renewal. Occasionally, part of the fine will be paid. This is acceptable as long as the entire fine is paid within 105 days. When a County-licensed vehicle receives a citation, the operator of the vehicle at the time of the infraction must personally pay the fine unless it is a Police or Fire vehicle operating in compliance with State laws governing emergency vehicles entering intersections against the traffic signal. In this situation, the vehicle would be exempt. Exceptions may also be made for such things as wet roads, funerals, plate unreadable, camera out of focus, trailer trucks, etc. If a court date is requested, it is put in the computer system by AED for the next available date. Currently, 100 slots per month on one

particular day are allotted in District Court. The law allows the judge to raise the fine to \$100 plus \$20 court costs, keep it at \$75, reduce it, or, alternatively, void the citation all together. Historically, only 2.6% of individuals receiving citations request court dates and more than 95% of those taking cases to court are found guilty. The camera is activated only after the light turns red and it must have been red for one-tenth of a second before the car enters the intersection. The car must be completely in the intersection when the light is red and caught on film with no part of the tire touching the white line when the picture is taken. Four pictures are taken of the rear of the car and three are ultimately sent on the citation if one is issued.

As noted on the citation, payment should be made to the Director of Finance at the bank's lockbox address whereupon the bank will open the envelope and process the payment. An electronic transmission is sent daily by the bank to Electronic Data Systems (EDS - an independent contractor) at the Police Department with detailed information of every citation number and amount paid. AED verifies that what the bank says was received is what EDS actually downloaded. However, payment is often made in person at the Howard County Finance Department, Cashiers' Office. In this case, if the payer does not have the ticket or ticket number, the cashier will call the Automated Enforcement Division to get the ticket number and amount due. Payment may then be made. Occasionally, a citation will be paid at the AED in which case it will be hand carried to the Department of Finance where a cash receipt will be issued and taken back to AED. Verifications and reconciliations are followed throughout the process to ensure that citations are accurately accounted for and all discrepancies are resolved.

Eight other jurisdictions (Baltimore County, Montgomery County, Laurel, Hyattsville, Morningside, Belair, Bladensburg and Riverdale Park) are now using this violator-funded safety program and are sharing Howard County facilities and contracts. This has reduced Howard County's cost per ticket to the independent contractors as the contracts provide for a reduction in cost per violation as the number of approved violation notices mailed increases. Each jurisdiction has signed a Memorandum of Understanding with Howard County which covers such issues as amounts paid for facilities provided, other resources provided, responsibilities of each jurisdiction, and cooperation on additional projects. In addition, at the time of our audit, negotiations were underway with thirteen other jurisdictions to join this program with Howard County and it is anticipated that at least ten of these will materialize. The contract between each of these jurisdictions and Howard County will provide that Traffipax, the independent contractor who installs and maintains the cameras at each

site, will pay Howard County \$200 per month for each of the estimated 40-50 cameras installed instead of Howard County paying Traffipax a reduced cost per ticket as the number of citations mailed increases. This income to Howard County would be used to cover the costs of these new jurisdictions (40 cameras would equate to \$96,000 annually).

This audit had two objectives:

- (1) To review current operating policies, procedures, and results of this relatively new program, and
- (2) To determine where the overall program could be improved.

## FINDINGS AND RECOMMENDATIONS

The goal of the automated red light enforcement program in Howard County is to significantly reduce red light violations and thereby reduce injuries and deaths as a result of traffic collisions. From all indications, it would appear this goal is being met. As of mid-February 2000, 47,010 citations had been issued with 93.7% of those issued in 1998 paid and about 92% of those issued thus far in 1999 paid. There has also been a significant reduction in collisions at intersections. As of December 1999, it is estimated that there has been a 55% rate of reduction in collisions at intersections based on the first twelve established sites.

Our review of operating policies and procedures indicated that, overall, good internal controls are in place and operating as intended. As stated above, there are procedures in place throughout the entire process from the time the camera captures the violation on film to the time the records are archived to verify and reconcile the accuracy of both citation and financial records and resolve all discrepancies. For example, procedures are required to ensure that:

- The light is red before the car enters the intersection and the car is completely in the intersection with the light red or a citation will not be issued. This information is verified by an employee of both the independent contractor and Howard County along with information received from the Department of Motor Vehicles which is entered on the citation. Both must agree before a citation can be sent.
- The integrity of the undeveloped film is maintained. After the film is removed from the camera, it is placed in a box, labeled, and taken directly to be developed. A form is filled out indicating how many frames are on the film, who serviced it, and that everything was done. This goes with the film and the same information is written on the film data bar.
- The integrity of the developed film is maintained. A bonded courier delivers the developed film in a sealed box to AED within two (2) days. It is then signed in on a daily tracking log, opened and verified that it is useable (the film might not have developed or might be blank). A reel # is assigned to each roll of film and a label put on each box showing date of film, camera location, and clerk's ID who signed it in.
- Film must be signed out and then back in on the tracking log whenever it needs to be used.
- All work is performed and records maintained in a secured area.

- All tickets paid at the Department of Finance, Cashiers' Office, are entered into the system by the independent contractor on a daily basis. AED maintains a separate log of all violations paid at the Cashiers' Office.
- Payments received at AED are hand delivered to the Cashiers' Office and a cash receipt is brought back to AED for further processing. A log is maintained of these receipts.
- An electronic transmission is sent by the bank to AED every day with detailed information of every citation # and amount paid which is downloaded by the independent contractor that day and a report is generated. AED verifies that what the bank says was received is what was actually downloaded.
- A hard copy of the electronic transmission along with payment stubs is sent from the bank to the Cashiers' Office several days later and a cash receipt is issued, all of which is forwarded to AED. Data from the tape and paper printout is compared when received by AED and the grand total is verified.
- Duplicate citations are not sent for the same incident. A duplicate citation report is run to check for this possibility.
- All citations issued are mailed. The independent contractor's count and Howard County's count must agree before citations are mailed.

While the program appears to be operating with good internal controls which are enforced, we would like to make some observations and recommendations based on our review which we believe will further strengthen the program.

#### On-line Computer Upgrade

At the present time, when a citation is being paid at the Cashiers' Office and the payer does not have a copy of the citation or the citation #, it is necessary for a cashier to call AED to obtain the citation # and amount due before payment can be made. This is time consuming at both locations and seems to occur frequently. The contract with Electronic Data Systems (EDS) provides for "a future upgrade to include the installation of an on-line computer at the County's Department of Finance (for walk-in payments). The price will be \$3,462.77 per computer station including installation and a three-year warranty." This would be paid by Howard County. In addition, the cash receipt generated must subsequently be manually entered into the system by EDS allowing for possible error. This data entry must be completed and verified before the close of business on the

same day that the cash receipt is received from Finance. Cash receipts are not sent to AED every day. This process could be greatly improved, saving time and reducing human error, if the Cashiers' Office could directly access the AED's on-line system and update payments immediately as they are made. It would also reduce the number of second and third notices that are sent out when a payment is made near or the last day payment is due but AED does not receive notification of this until several days later. In the meantime, a second or third notice may have been sent out and the payer may have called back to say they have already paid. For these reasons, we recommend that:

1. **An on-line computer be installed (charged as an expense of the Red Light program) at the Cashier's Office for direct entry of walk-in payments.**

**Administration's Response:**

This recommendation will have more of a substantial impact on the Department of Finance than the Automated Enforcement Division. Currently the Automated Enforcement Division receives ten to fifteen calls daily requesting a citation status from the cashier's office. Under this proposal, the Department of Finance personnel would be entering payments directly into the vendor's database. Currently the vendor is being paid to input this data. During the program's implementation stage, this recommendation was offered and declined by the Department of Finance.

**Auditor's Comment:**

This recommendation only relates to payments received in the Department of Finance and should increase efficiency for both the Cashier's Office and the Automated Enforcement Division.

**Failure to Pay**

As stated above, the County requires that the entire fine must be paid within 105 days from date of incident or the vehicle will be flagged by the Department of Motor Vehicles (\$20 charge) and cannot be registered at renewal. Before this happens, a second and third notice will have been sent all of which costs the County additional time and money to process. For this reason and as an incentive to pay the fine by the due date, we recommend that:

2. **A penalty of at least \$2 be imposed for each month or fraction thereof that the violation has not been satisfied after the payment due date shown on the citation.**

Administration's Response:

The Chief Judge of the District Court of Maryland, The Honorable Judge Martha Rasin has stated that this penalty would require a State legislative change and cannot be implemented.

Auditor's Comment:

Because of the additional collection costs incurred, late fees are charged for other fines not paid on time. We believe implementation of this penalty should be pursued by the County.

3. ***An administrative handling fee of at least \$10 be imposed if the Motor Vehicle Administration is notified of a failure to pay a fine or to file a notice of intention to stand trial.***

Administration's Response:

The Administration concurs and recommends that this administrative fee be imposed. This type of administrative fee is being implemented in the Red Light programs of the surrounding jurisdictions. However before proceeding with the implementation of this fee, the Police Department will request written clarification from the Office of Law as to whether legislation is required.

The above amounts are comparable to those charged as required by the Howard County Code for failure to pay parking violations.

Revenue Posting

A random review of 177 cash receipts revealed that revenues received for other programs are occasionally posted in error to the red light program revenue account. The largest amount noted was for \$1,120. At the same time, it is also possible that revenues received for the red light program are occasionally being posted to other accounts. Although we did not find this happening frequently, we believe that once is too much and, therefore, in order for the red light program to receive all of the revenues collected on its behalf but not revenues which should be posted to other programs, we recommend that:

4. ***The Department of Finance send to the Automated Enforcement Division a copy of the A611 report every month so they can review it and identify either revenues***

**which were posted to the red light program in error or revenues which were not posted but should have been.**

We were informed by AED that they receive a copy of this report only if they request it.

**Administration's Response:**

To insure accuracy, the Police Department has implemented numerous checks and balances in their operational procedures to reconcile lockbox and cashier receipts against the EDS vendor database. The Police Department feels that these checks and balances are sufficient and does not wish to actively check the Department of Finance's A611 report for accuracy. However if they should choose to review the A611 report, access to this information is provided in the County's Financial System. The Department of Finance has offered to provide the necessary training to the Automated Enforcement Division.

**Auditor's Comments:**

We believe this information should be reviewed by Police Department personnel and they should request the necessary training from the Department of Finance.

**Payment from Other Jurisdictions**

Howard County has signed a Memorandum of Understanding with the eight Maryland jurisdictions mentioned previously to make office space and other resources available to them for charges agreed upon in connection with their red light enforcement operations. These agreements go back as far as May 1999. We have been informed that, as of January 2000, no payments have been requested from these jurisdictions or made to Howard County even though considerable time has been spent with them and physical space made available. It would seem that these payments should now be requested. We therefore recommend that:

5. **The Automated Enforcement Division determine applicable charges for each jurisdiction.**

**Administration's Response:**

The Police Department has agreed to defer payment of these expenses from the partner jurisdictions until they complete their first year of operation. This will allow the jurisdictions to pay these expenses out of proceeds derived from the program. The billing of these expenses will commence in the early part of next year.

**Auditor's Comments:**



We did not see any mention of deferred payments in the agreements between Howard County and other jurisdictions. Our office will review these “deferred billings” to ensure that all charges agreed upon have been reimbursed to Howard County.

6. **Police Department accounting personnel invoice these jurisdictions for charges due.**

Administration’s Response:

The Administration believes it would be more appropriate for billing to be initiated by the Division of Miscellaneous Billing in the Department of Finance. Mailing invoices for collection purposes will be coordinated between the Police Department and the Division of Miscellaneous Billing in the Department of Finance.

We wish to thank the staff of the Automated Enforcement Division and the Department of Finance for the cooperation and assistance extended to us during the course of this engagement. We expect to conduct a follow-up review of this program within the next year.

BD:sd-RLR466

June 2000

The County Council and County Executive  
of Howard County, Maryland

Pursuant to Section 212 of the Howard County Charter and Council Resolution 22-1985, we  
have conducted a review of selected activities of the

POLICE DEPARTMENT  
AUTOMATED RED LIGHT ENFORCEMENT PROGRAM

and our report is submitted herewith. The scope of our examination related to a review of the current operating policies, procedures and results of this relatively new program, and to determine whether the overall program could be improved. The Digest of the report presents a summary of the work performed and our findings. The body of the report presents our specific recommendations.

The contents of this report have been reviewed with the Chief Administrative Officer, and the Director and staff of the Automated Red Light Enforcement Program and the Department of Finance. We wish to express our gratitude to the staff of the Automated Enforcement Division and the Department of Finance for the cooperation and assistance extended to us during the course of this engagement.

Ronald S. Weinstein, C.P.A.  
County Auditor

Brenda S. Dean, C.P.A.  
Auditor-in-Charge

## DIGEST

Our office performed a review of the automated red light enforcement program. This review included an evaluation of current operating policies, procedures, and results of this relatively new program, and a determination of where the overall program could be improved. Our review of operating policies and procedures indicated that, overall, good internal controls are in place and operating as intended, however, several observations and recommendations were made to further strengthen the program.

A review of the citation payment process at the Department of Finance indicated that it is time-consuming and disruptive there and at the Automated Enforcement Division when a payer does not have a copy of the citation or the citation number. We recommended that an on-line computer be installed (charged to the red light program) at the Cashiers' Office for direct entry of walk-in payments.

When fines are not paid by the due date, a second and possibly third notice will have to be sent which costs the County additional time and money to process. For this reason and as an incentive to pay the fine by the due date, we recommended that a penalty of at least \$2 be imposed for each month or fraction thereof that the violation has not been satisfied after the payment due date shown on the citation. Also in connection with unpaid fines, we recommended that an administrative handling fee of at least \$10 be imposed if the Motor Vehicle Administration is notified of a failure to pay a fine or to file a notice of intention to stand trial.

Our review indicated that revenues received for other programs are occasionally posted in error to the red light program revenue account, and, alternatively, it is possible that revenues received for the red light program are occasionally being posted to other accounts. We recommended that a copy of the monthly revenue report be sent by Finance to the Automated Enforcement Division so they can review and determine when this is occurring.

Howard County has signed a Memorandum of Understanding with other Maryland jurisdictions to make office space and resources available to them for agreed upon charges in connection with red light enforcement operations in their jurisdictions. No payments have been requested from these jurisdictions to date and we recommended that applicable charges be determined and invoices be sent for charges due.

**HOWARD COUNTY  
POLICE DEPARTMENT  
AUTOMATED RED LIGHT  
ENFORCEMENT PROGRAM**